

DISPATCH

25X1A2g

TO All Chiefs of Station and Base
INFO

HEADQUARTERS FILE NO.

FROM Chief, [REDACTED]
25X1A2g

DATE 29 JUL 1959

SUBJECT Public Service Aid Society Emergency Loans

RE: "43-3" - (CHECK "X" ONE)

MARKED FOR INDEXING

X

NO INDEXING REQUIRED

ACTION REQUIRED
As indicated below

INDEXING CAN BE JUDGED

REFERENCE(S)

DOC 5	REV DATE 12/24/87	BY 018771
ORIG COMP -	OP1 30	TYPE 01
ORIG CLASS 5	PAGES 10	REV CLASS C
JUST 22	NEXT REV 2011	AUTH: NE TO-2

1. The Trustees of the Public Service Aid Society (PSAS) have carefully reviewed the ways in which the Society can be of greatest service to Organization employees. One of the principles which the Society has accepted since its inception is that time is of the essence in making funds available to those employees who face emergency situations. The Trustees have therefore taken steps to ensure that a quorum of the Executive Committee will be readily available at all times, a practice which has permitted the Society to act within a few hours.

2. The Trustees have agreed to decentralize to the Chiefs of Station and Base the authority to make short-term loans in those meritorious cases which cannot adequately be handled in accordance with current procedures. The Society will deposit funds with the Comptroller for this purpose. The maximum amount of a Field authorized loan shall be \$200.00 or, if emergency travel is required, the cost of one round trip fare for the employee or his spouse plus 10 percent for expenses. This authority to make such loans is granted only to the Chief (or Acting Chief) of Station or Base. It must be done personally by him and he must certify to PSAS that he has reviewed all of the evidence in the case and is himself satisfied as to the action taken.

3. The limited funds available to the Society to be used for this purpose must be managed with the greatest care. For this reason, you are asked to grant loans only when the following conditions are met:

a. The case is one of real and unpreventable emergency as, for example, the death or very serious illness of next of kin, requiring travel to our country. By unpreventable we mean, in the case of illness, that the individual concerned has suddenly and unexpectedly received news that his presence is required and that he must travel immediately. If an individual has known for a period of time that he might be called upon at any moment to depart, we would expect him to arrange in advance for funds through a Credit Union loan, accumulation of a checking or savings account reserve, through the establishment of a commercial line of credit, or through insurance coverage.

b. Also, there must be no other way for the individual to establish credit (through the Credit Union or through a PSAS loan approved at [REDACTED] etc.) in sufficient time to meet the crisis. If emergency travel is involved, this means that the emergency must be such that the individual must depart from overseas within less than 48 hours from the time he receives notification of the emergency.

4. In exercising your responsibility in the handling of PSAS funds for emergency needs, you are required and authorized to insist that adequate evidence be submitted to you by the individual concerned to establish that a real need exists for an emergency loan. It will be necessary for you to cite the evidence that you have examined and to give your reason for granting the loan in a follow-up dispatch to [REDACTED]. In placing this responsibility in your hands, the Trustees do not envision the need for any further controls. There will, of course, be borderline decisions and it is the Trustees intention that you be free to exercise your judgment in the interest of organization personnel and in the interest of conducting the affairs of the Society on a sound, realistic, and equitable basis.

FORM 10-57 53 (40)

USE PREVIOUS EDITION.
REPLACES FORMS 51-28, 51-28A AND 51-29 WHICH ARE OBSOLETE.

CLASSIFICATION

X CONTINUED

PAGE NO.

1

CONTINUATION OF
DISPATCH

CLASSIFICATION

~~CONFIDENTIAL~~

DISPATCH SYMBOL AND NO.

25X1A2a

25X1A6a

5. In no case will loans be made to circumvent the necessary certification of the expenditure of official funds for official purposes. Persons dispatched to [REDACTED] for disciplinary or operational purposes would fall under this category. Similarly, the support given to contract agents, no matter how eleemosynary in character, cannot be drawn from the funds available for PSAS use.

25X1A6a

6. Procedural instructions are provided in the attachment. Each loan will be evidenced and secured by a 90 day promissory note and we will normally expect settlement well beforehand. If the traveler is an employee and will visit [REDACTED], this should be indicated so that arrangements can be made for personal discussion of repayment arrangements with the Society's representatives.

7. The Trustees regard this decentralization of authority as experimental but are most eager that the experiment succeed. There appears to be only two ways in which it might fail: First, through the improper use of this authority and second, as a result of a "run on the bank" which would deplete all available funds. Every effort will be made to correct any errors in judgment and thus prevent the termination of the experiment for the first reason cited; with regard to the second, the Trustees honestly do not believe there is much likelihood this will happen.

25X1A2g

FOR THE CHIEF, [REDACTED]

25X1A2e

Attachment:

Procedural Instructions

CONFIDENTIAL

CONTINUATION OF
DISPATCHDISPATCH SYMBOL AND NO.
ATTACHMENTPROCEDURAL INSTRUCTIONS

1. WHEN SHORT-TERM LOANS MAY BE MADE

Short-term loans may be made when, in the personal judgment of the Chief of Station or Base, the employee has an urgent, compelling and unforeseeable need for funds which, if not satisfied, will cause unreasonable hardship and emotional stress AND when the required funds or credit cannot otherwise be obtained by the employee within the time that their expenditure is essential.

Short-term loans shall not be made if the required funds can be obtained in sufficient time from other sources, including the Credit Union. For this purpose, it may be assumed that the field in emergency situations can request Credit Union or PSAS loans or grants and receive authorization to disburse the funds within two work days.

2. REVIEW OF REQUEST BY STATION OR BASE CHIEF

The Chief of Station or Base shall have the situation occasioning the urgent need for funds thoroughly investigated and shall satisfy himself as to the facts and the need for a loan. He shall also counsel the employee on his problem and alternative avenues of action which may be open.

3. AMOUNT OF LOAN

The maximum amount of a short-term loan shall be \$200.00 or, if emergency travel is required, the cost of one round trip fare for the employee or his spouse, plus 10 percent for expenses.

4. TERM OF LOAN AND REPAYMENT

Emergency loans shall be secured by a promissory note from the employee guaranteeing repayment within 90 days. If the individual is unable to arrange repayment by obtaining a Credit Union loan or through other personal financial resources, he may apply for a long-term PSAS loan or grant to liquidate the note. Because of the relatively small size of the fund set aside for these temporary emergency loans, it is essential that repayment to this fund be accomplished within the prescribed period of 90 days.

5. REPORTING LOANS TO

a. Cable to [REDACTED] for the PSAS

A brief [REDACTED] cable shall be sent concurrent with the granting of a loan stating that a PSAS loan in a stated amount has been made to an identified employee. This cable is essential to preclude possible over-disbursement of available PSAS funds.

b. Report to [REDACTED] for the PSAS

A full explanation of the situation, basis of the decision to loan PSAS funds under this special authority, and explanation of method of repayment (including an application for a Credit Union loan, a long-term PSAS loan or grant, if appropriate, or other specific plan for the repayment of a short-term loan within a specific period), shall be forwarded promptly to Headquarters by dispatch bearing the indicator [REDACTED]. The subject of the dispatch should be "PSAS Loan", and should reference the [REDACTED] dispatch, described below, which transmits financial documentation.

FORM
10-57 53a
(40)USE PREVIOUS EDITION.
REPLACES FORMS
51-28, 51-28A AND 51-29
WHICH ARE OBSOLETE.

CLASSIFICATION

☒ CONTINUED

PAGE NO.

1

CONFIDENTIAL

c. Financial Reporting

Stations are authorized to approve advances of PSAS funds as stated herein and to transfer accountability for the advances to [REDACTED]. The accounting procedures to be followed to transfer the [REDACTED] to [REDACTED] will depend upon the accounting methods in use by the station. The original promissory note and any other financial documents shall be transmitted to [REDACTED] by dispatch, Subject - "PSAS Advance", bearing the indicator [REDACTED]. Procedures for stations using different methods of accounting are as follows:

(1) Stations using Class "A" type accounting procedures will follow [REDACTED] for recording the disbursement in the station accounts and for transfer of the accountability to [REDACTED]. The T/A will be identified under "Remarks" by inserting the phrase "PSAS Advance", in addition to other related data. One extra copy of the T/A will be forwarded to [REDACTED]. Use the indicator [REDACTED] when transmitting the T/A.

(2) Stations using Class "B" accounting procedures [REDACTED] will follow FHB 30-1500-4 [REDACTED] for recording the disbursement in the station records. The amount will be entered in columns 6 and 9 of the Cash Journal. Transfer of the accountability for the disbursement to [REDACTED] will be accomplished by a station dispatch which will be cited on the station accounting.

(3) Stations using "B" type accounting procedures to report disbursements to another [REDACTED] will follow the instructions outlined in the preceding paragraph with respect to recording the disbursement at the station and [REDACTED] the case directly to [REDACTED]. The dispatch to [REDACTED] will constitute authority to transfer the accountability. However, a copy of the dispatch will be furnished to the intermediate station and no transfer of accountability (T/A) will be required by [REDACTED] from the intermediate station. The dispatch number will be cited on Schedule "D" for transfers prepared by the intermediate station as part of its accounting records and reports to [REDACTED].

6. SUSPENSION OF AUTHORITY

In the event PSAS funds become exhausted to a point that the authorization to make emergency temporary loans must be suspended, cable notification will be given referencing this dispatch. In the event of suspension of this field authority, all requests for PSAS assistance will be referred directly to [REDACTED] for disposition.

25X1A6a

Approved For Release 2001/03/03 : CIA-RDP79-00639A000100030013-6

Next 5 Page(s) In Document Exempt

Approved For Release 2001/03/03 : CIA-RDP79-00639A000100030013-6